

**MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS  
COMMITTEE MEETING  
FEBRUARY 13, 2008, 4:00 P. M.  
Room C450, State Capitol, State Capitol Complex**

Members Present:        Sen. Lyle Hillyard, Committee Co-Chair  
                              Rep. Ron Bigelow, Committee Co-Chair  
                              Sen. Peter Knudson, Vice Chair  
                              President John Valentine  
                              Sen. Curtis Bramble  
                              Sen. Gene Davis  
                              Sen. Mike Dmitrich  
                              Sen. Dan Eastman  
                              Sen. Pat Jones  
                              Sen. Sheldon Killpack  
                              Sen. Brent Goodfellow  
                              Rep. Becky Lockhart, Vice Chair  
                              Speaker Greg Curtis  
                              Rep. David Clark  
                              Rep. Brad Dee  
                              Rep. Brad King  
                              Rep. David Litvack  
                              Rep. Carol Spackman Moss  
                              Rep. Phil Riesen  
                              Rep. Gordon Snow

Staff Present:            Jonathan Ball, Legislative Fiscal Analyst  
                              Steven Allred, Deputy Director  
                              Karen C. Allred, Secretary  
                              Karen Allred, Secretary

Others Present:        Sen. Jon Greiner  
                              Rep. Michael Morley  
                              Rep. Sheryl Allen  
                              Sen. Bill Hickman  
                              Rep. Ben Ferry  
                              Sen. Dennis Stowell  
                              Rep. Brad Last  
                              Sen. Howard Stephenson  
                              Dr. Andrea Wilko  
                              Ivan Djambov, Fiscal Analyst

List of Others Present on File

Committee Co-Chair Hillyard called the meeting to order at 4:10 p.m.

1. **Subcommittee Reports:**

**Commerce and Workforce Services**

Sen. Jon Greiner explained to the committee that they added the Utah State Office of Rehabilitation to the list of budgets heard by the subcommittee. The departments made presentations to the subcommittee and after discussion the subcommittee prioritized the departments' recommendations found on the spread sheet that was distributed to the committee. The subcommittee recommends that the Department of Commerce receive an additional FTE for Real Fraud Investigations, an additional half-time auditor and control substance investigator for Southern Utah. They also recommend one-time funds for Social Securities from public documents. They recommend funds for Rep. Daws H.B. 119 S. 1, Controlled Substance Amendments which is the controlled substance data base for assistance in trying to understand the 400 plus deaths they are getting a year in this state for controlled scheduled 2 deaths. They recommended that the Labor Commission be authorized for an additional legal council FTE to assist in processing legal cases and determinations that come before the commission and for appropriations for the Rocky Mountain Occupational and Health Center. They recommended the Department of Workforce Service receive funds for the Child Care step Down Program. The committee heard testimony from the Department of Work Force Services regarding eREP program. The development of the system will be completed by February 29, 2008 with full implementation by April 2009. The Department did not receive appropriations for delay and cost overruns, but the department is anticipated to come back to the committee in 2009 for additional costs for the eREP system. The committee is recommending the Department of Insurance be authorized two additional insurance fraud investigators and the Department of Alcohol Beverage Control be authorized an increase in the packaging agencies and payments of bonds for buildings that are currently coming on line. One of the subcommittees deficiencies in their ranking is that they forgot that they need FTE's so the committee will see a budget modification request from the co-chairs addressing that shortfall. There is an appropriation request from the Department of Workforce Services to take care of the recision directly impacting the adult dislocated workers. They recommend to the Executive Appropriations Committee considering the cash payments of the recipients to the Family Employment Program, increasing the payment by 5%. This will not cost any additional state funds, but will increase the Federal portion.

Rep. Morley explained to the committee that the prioritization went very well. They did verify that the FTE's requested by alcoholic beverages were calculated in and will not impact their general fund transfer.

Co-chair Hillyard questioned how the transition of the application of processing claims that moved from one department to another worked out. Sen. Morley answered that it worked very well.

### **Economic Development and Revenue**

Rep. Sheryl Allen explained to the committee that it was a pleasure to serve as the Co-chair of the Economic Development and Revenue subcommittee. The members were very faithful and she appreciated their input. The final results are behind tab 3 in the packet. The subcommittee recommends the funding currently set aside for the Industrial Assistance Fund and the Tourism Performance Marketing Fund. The subcommittee did fund some of the priorities internally, reallocating existing sources and that information is on 3-27. Those re-allocations were all one time, even though one source was on-going from a lease no longer necessary. The funding was appropriated on a one-time basis to the Utah Humanities Council, Emergency Food Network, Antelope Island Balloon Stampede Hill Air Force Base Show, West Jordan Sugar Factory Restoration and Working Families Economic Development Initiative. The committee supported some non-lapsing intent for budget line items in the new fiscal year. The subcommittee supported some intent language allowing the Motor Vehicle Enforcement Division Officers using the vehicles assigned to them for "personal and to commute" for law enforcement duties. The subcommittee supported the intent to allow State History to expand its vehicles by one. The subcommittee supported non-state fund increases for Mineral Lease allocations that are formula driven, and approved the Tax Commissions fee schedule and the Federal Funds Summary for agencies under its review. The subcommittee did spend a lot of time during the session hearing requests for appropriations, (46 requests), and it was challenging to prioritize. On page 3-26 under one-time funding, an error was made on item #27 for Economic Development Restaurant Advertising in the amount of \$15,000, it was a typographical error and should be \$300,000. Co-chair Hillyard questioned if the total was correct. Rep. Allen said it is not, you would have to add \$285,000 to the total. The subcommittee was able to fund so many requests last year, and that begat more requests. The subcommittee did prioritize according to necessity and they tried to be modest in the on-going funding. In the past, the subcommittee has often funded grants, and this year they have combined the prioritization into "all grants".

Rep. Clark questioned what the lease was that Rep. Allen referred to that was no longer a reallocation. Rep. Allen said that was the lease for the Tax Commission, located on page 3-27. It is shown under FY 2009 in on-going, but the subcommittee only allocated that money on a one-time basis. Rep. Clark tried to make the connection between a lease payment and re-spending it somewhere else. There is no longer a lease, because there is a state building now. Rep. Clark asked the chairs how a building is treated now that there is

no longer a lease. Jonathan Ball said that in the cases where a lease revenue bond has been authorized using lease proceeds, the lease proceeds are tracked throughout the payment of the bond. When the bond is retired, the money is no longer needed and the budget for that agency is reduced by the amount of the lease money. The Analysts have been scrutinizing lease decreases and Mr. Ball does not know of any policy on how those are treated. Co-chair Hillyard would like Mr. Ball to do some research on that issue.

Co-chair Bigelow questioned the intent language for motor vehicle of "commute and personal use". Traditionally the language is only "commute" and did Rep. Allen intend for the vehicles to be used for personal reasons. Rep. Allen did not intend for the vehicles to be used for personal reasons and Co-chair Bigelow suggested removing the words "personal use".

**MOTION:** Sen. Eastman moved to add to the priority list for the Economic Development and Revenue Appropriation subcommittee (p. 3-25) for Tax Commission the following item from either the Tobacco Settlement Restricted Account or General Fund: One FTE Compliance Officer for the Tobacco Settlement, and a Tobacco Settlement Compliance FTE, ongoing \$76,800 and one-time \$25,000. This item would be placed on the bottom of the priority list.

This was due to an oversight in the tax commission and is a position that was authorized, recommended and fully supported by the Attorney General in order to insure compliance to the funding of the annual tobacco funds.

Co-chair Hillyard questioned where this would be put. Sen. Eastman would place this as item #17. Co-chair Bigelow questioned whether the committee should be modifying the subcommittees list. Sen. Eastman modified his motion to have it placed on the bottom of the priority list.

Co-chair Hillyard asked for comment from the Sen. Hickman and Rep. Allen. Rep. Allen said that they were in full support of it. It came to their attention recently and was overlooked. It is an important item.

The motion passed unanimously with Reps Curtis and Moss absent for the vote.

**MOTION:** Sen. Knudson moved under Section 63-38-8.1 of the Utah code, the Legislature intends that any remaining amount of the \$685,000 provided by the Laws of Utah 2007 Chapter 383, appropriation Adjustments, item 76, for the Division of Housing and Community Development Line Item not lapse at the close of Fiscal Year 2008. COV Match \$65,000, Weatherization \$250.00, Ogden Valley Pathways \$20,000 and

Shakespearian Festival Land \$35,000 for a total \$685,000, in that order.

Co-chair Hillyard asked for comment from the subcommittee chairs. Rep. Allen said that they are in support of this motion. Pres. Valentine questioned what the Ogden Valley Pathways and the Shakespearian Festival Land are. Sen. Knudsen said that the Shakespearian Festival Land explanation can be referred to Sen. Hickman. The Weatherization is an annual program that has been available for many years to help low income families keep their homes weather tight for winter and has benefitted a lot of low income homes. Sen. Knudsen is not familiar with Ogden Valley Pathways, but commented that it is trails in the Ogden area. Rep. Allen said that the Economic Development subcommittee did not hear that request so she could not explain. Speaker Curtis questioned in regards to the Shakespearean Land Festival would this resolve a \$5 million request? Dr. Andrea Wilko explained the legislature appropriated money last year for the Shakespearean Festival Land purchase. In issuing the contract there was a problem with actually accessing the land in FY 2008, so they have asked for permission to carry forward that money into FY 2009 to complete that contract. There is an additional request for appropriations that is on this year's priority list for \$5 million, which is one year of a two year request. There will be \$5 million this year and \$5 million next year. This particular intent is to make last years money non-lapsing because they can't get the contract let in time to purchase the land.

Co-chair Bigelow questioned the consistency of the committee. In the last meeting, requests for changes were not allowed on the reports that were coming in. We have been doing that, and the other committees did not have an opportunity to make changes. He suggested putting all the intent language and changes together for the next meeting. We need to get the reports in so that the staff can start working on base items.

Co-chair Hillyard questioned wording in the motion about the remaining amount of the \$685,000 appropriation, there may not be much left, and they may not get any money.

**SUBSTITUTE MOTION:** Pres. Valentine made a motion to move on to the next item on the agenda.

Pres. Valentine commented on his agreement with Co-chair Bigelow.

**MOTIONS WITHDRAWN:** Sen. Knudson and Pres. Valentine withdrew their motions.

### **Natural Resources**

Rep. Ben Ferry explained to the committee the requests of the Natural Resources

subcommittee. The item of most concern to this subcommittee is the Quagga/Zebra Mussel which is clogging up infrastructure, plugging up boats, and everything found in Lake Mead and the subcommittee is concerned it will move on to Lake Powell. The second priority is the Law Enforcement Data Center. When someone is pulled over, and an officer needs to look on his computer to see if there is any data in the data base, such as criminal history, the Department of Natural Resources equipment is antiquated. In order to implement that, it requires a one-time funding, which should have been prioritized under Quagga/Zebra Mussel as item #3, on page 7-44, in the same priority as its companion item in the on-going list on page 7-43, but it was discovered while they were in this meeting that it had been left off.

**MOTION:** Pres. Valentine moved to place the Natural Resources Law Enforcement Data Center as item number 3, on the one-time priority list on page 7-44.

The motion passed unanimously.

The third item that Rep. Ferry wanted to explain to the committee is an item that is important to the state, and especially Utah Valley. The Jordan River and Utah Lake Adjudication is a major project that will take about 19 years. On page 7-44, item 9, there is a negative balance which is the mid-point cost and offsets the on-going funds on page 7-43, item 9. It has been funded for the whole project, but once the project starts, if it is appropriated, they will need non-lapsing language so that the funds carry over each year and the surplus in the beginning years covers the excess in the end.

Sen. Dennis Stowell explained to the committee from page 7-45 in the packet. They have tried to fund most of the projects for the Natural Resources subcommittee, out of existing budgets. On page 7-45, the money in parentheses is the money they were able to save out of existing budgets. Last session, this subcommittee ordered an audit and the Federal Coal Program came under scrutiny. There were funds that were not being paid by the Federal Government, so those funds, after they were paid, have been reallocated to other departments. Some of those funds are to be used to re-seed burned land through Forestry and Fire and funds for full-time employees to speed up the water rights process. On page 7-46 are non-general funds changes.

Rep. Lockhart had a question on 7-45 concerning the funding of "several projects" on Agriculture. She wondered what those projects are. Ivan Djambov, Fiscal Analyst explained that those projects are: Ag in the Classroom, Junior Livestock, Western Legends Round-up, Future Farmers of America, Utah's Own Promotion. These are all one-time, and Rep. Lockhart requested a copy of those projects.

Speaker Curtis questioned the Co-chairs as to why Urban Trails is such a low priority for the committee, and if this committee is the correct place for that item, and how could it become a higher priority. This item is important to Speaker Curtis and is a state wide concern. The subcommittee responded that it did not start out at the bottom. Often times some committees will not prioritize what is important to an industry or to a community. The subcommittee would be willing to trade some items from different budgets where they might get a higher priority. That particular item may have a higher priority in a different subcommittee.

### **Public Education**

Rep. Brad Last explained to the subcommittee that one of the major area of focus was Teacher Compensation and also Employee Compensation of State Agencies, and they recommend funds in salary adjustments. There are several proposals to enhance educator pay, such as Math and Science Teacher initiatives, Special Education Teacher Initiative for an extended year and Public Education Job Enhancement Program. The subcommittee also prioritized funds to the School Land Program and reallocated funds in Uniform School Fund Restricted Revenue from the Land Program for the administration of that program. They heard building block requests representing 93 different requests and trimmed that down to 58 prioritized items for on-going funds and 28 for one-time funds.

Sen. Howard Stephenson wanted to emphasize to the committee that there are several proposals to enhance educator pay, including Math and Science teachers, Special Education teachers and the PJEP Enhancement that has been so successful in the signing bonuses. On pages 8-15 and 8-16 of the packet with the building block priorities, there are many very positive programs. Item 27, The Repeal of the Board Leeway for Reading Improvement, doesn't fund anything that is not currently in the program, but attempts to replace the property tax with income tax for that purpose. It is not really an education enhancement as much as an ongoing diversion. If it passes, it is a big piece, that if it were done in some other way, could provide money for building blocks. On Item 37, The Equalization of School Capital Outlay Funding, hopefully we all agree that an equalization needs to occur. The question is whether we take on-going out of income tax, or whether more of that be done through property tax. There is a house bill that is recommending funding more through property tax and less through income tax.

Rep. Moss questioned that H.B. 194 Class Size Reduction in K-3 is on there twice, item 25 and item 38, and she wondered if that is an error. The Analyst said it was actually on there five times. This is scalable, so they are thrilled to have anything. It has been listed several times in case the funding gets down farther on the priority list.

Rep. Last explained that there is also language that the subcommittee moved to put into the appropriations act to require districts to meet a standard of class size to receive ongoing money. This can assure that if current money is continued or increased, standards will be met. It gives the State School Board flexibility for those districts that are not meeting the standard to have some time to get there. That would be at the judgement of the State School Board.

Co-chair Hillyard mentioned that intent language has been handed out for all of the subcommittees, except this subcommittee, of Public Education. The committee does not intend to do any action on this subcommittee until the committee has had a chance to look over the handouts put in the packet today. Rep. Last said it is actually statutory language.

Sen. Dmitrich questioned if there was any funds recommended for line counselors. Rep. Last said that item 17 Comprehensive Guidance Counseling.

### 3. **Other Business**

**MOTION:** Rep. Bigelow moved to adopt the minutes of February 11, 2008.

The motion passed unanimously with Pres. Valentine, Sen. Bramble and Reps. Curtis, Clark and Moss absent for the vote.

Rep. Bigelow told the committee that we are now going to take some motions. He will direct us to where the motion is, make the motion and then explain the motion. The first motion is behind tab 1, Capital Facilities, page 1-1.

**MOTION:** Rep. Bigelow moved to adopt the motions on page 1-1, with the exception of items 13 and 14 on intent language on page 1-36.

There are some items that there may be questions or concerns in some way, if so, we will not adopt those in this meeting. That does not mean they won't be adopted at another meeting. This motion includes fees, intent language, and internal allocations. There was one item, PEV funds, which several committees requested these same funds. Since that is a big discussion, we will not include that in this motion. In all cases with non-lapsing funds, the subcommittees have put down what the non-lapsing funds will be used for, but this subcommittee has not for these two items, so we will give them time and make the motion for that subcommittee at another time.

**SUBSTITUTE MOTION:** Speaker Curtis moved to adjourn.



Co-chair Hillyard told the committee that they would get handouts to member of the committee to study and be prepared to make motions at our next meeting.

The meeting was adjourned at 5:10 p.m.

Minutes reported by Karen C. Allred, Committee Secretary.

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Sen. Lyle W. Hillyard, Co-Chair

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Rep. Ron Bigelow, Co-Chair